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BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
) MUR: 4632
The Nevada State Republican Central Committee)
and Ronald F. Ryan, as Treasurer)

GENERAL COUNSEL'S REPORT

I. BACKGROUND

This matter was generated from information ascertained by the Federal Election Commission ("Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(2). On April 22, 1997, the Commission found reason to believe that the respondents, the Nevada State Republican Central Committee and Ronald F. Ryan, as treasurer, violated 2 U.S.C. §§ 432(a), 433(c), and 434(a)(4)(B).

On August 25, 1997, this Office submitted to the respondents the General Counsel's Brief, setting forth its position on the legal and factual issues of the matter, and its recommendation that the Commission find probable cause to believe that the violations occurred. Respondents submitted their reply on October 2, 1997.

II. ANALYSIS

This report incorporates by reference the General Counsel's Brief and all arguments and authorities contained therein. The following is submitted in response to the arguments presented by the respondents in their response brief.

In their brief, the respondents state that they do not dispute the Commission's factual findings in this matter. However, the respondents assert that the committee's failure to timely

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file disclosure reports resulted from the fact that a previous treasurer did not return the committee's financial records upon his resignation.¹ Consequently, the respondents assert, the committee was required to reconstruct the records; as the financial records were reconstructed, the required reports were filed. Respondents emphasize that ever since the current treasurer assumed the office of treasurer on May 5, 1996, all reports have been timely filed. In addition, the respondents assert that the committee has taken several steps to ensure the timely filing of reports in the future. In conclusion, the respondents express their belief that the Commission should take into account their assertion that the violations at issue were unintentionally committed, as well as their "prompt response" in correcting the reporting deficiencies, and the measures implemented to ensure that no violations occur in the future.

While the respondents may have unintentionally violated the law and taken measures to prevent future violations, these assertions are appropriately considered during post-probable cause conciliation negotiations as possible mitigating factors. Nothing expressed in the respondents' response brief either justifies or vitiates the respondents' violations of the law in the instant matter. Indeed, a former treasurer's failure to return financial records is no defense to a political committee's liability for failure to timely file complete and accurate disclosure reports.² See Advisory Opinion 1995-10. Political committees bear complete responsibility in this regard, which entails implementing procedures for maintaining financial records/information, facilitating

¹ The respondents have consistently asserted that the committee was having difficulty getting its financial records from a previous treasurer, commencing with discussions with RAD analysts, wherein the committee identified Bob Beers as the former treasurer who withheld the committee's records.

² In any event, Bob Beers, the former treasurer who apparently withheld the committee's financial records, was re-elected to the office of treasurer on August 26, 1995, within approximately five months of his earlier resignation. Mr. Beers presumably returned the committee's financial records at that time. Nevertheless, the respondents failed to timely file eight reports that became due subsequent to Mr. Beer's resumption of office.

continuity between officers of the committee, or otherwise ensuring compliance with the law.

Thus, this Office recommends that the Commission find probable cause to believe that the respondents violated 2 U.S.C. §§ 432(a), 433(c), 434(a)(4)(B).

III. DISCUSSION OF CONCILIATION AND CIVIL PENALTY

Based on the foregoing analysis, this Office recommends that the Commission submit to the respondents a proposed conciliation agreement

IV. RECOMMENDATIONS

1. Find probable cause to believe that the Nevada State Republican Central Committee and Ronald F. Ryan, as treasurer, violated 2 U.S.C. §§ 432(a), 433(c), and 434(a)(4)(B).
2. Approve the attached conciliation agreement and appropriate letter.

Date

2/12/97

Lawrence M. Noble
General Counsel

Attachment:

1. Conciliation Agreement

Staff Assigned: Clinett Short and Tracey L. Ligon



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

FROM: MARJORIE W. EMMONS/VENESHE FEREBEE-VINES VTV
COMMISSION SECRETARY

DATE: DECEMBER 18, 1997

SUBJECT: MUR 4632 - General Counsel's Report

The above-captioned document was circulated to the Commission
on Monday, December 15, 1997.

Objection(s) have been received from the Commissioner(s) as
indicated by the name(s) checked below:

Commissioner Aikens	<u>XXX</u>
Commissioner Elliott	<u>XXX</u>
Commissioner McDonald	—
Commissioner McGarry	—
Commissioner Thomas	—

This matter will be placed on the meeting agenda for

Tuesday, January 06, 1998

Please notify us who will represent your Division before the Commission on this
matter.